



County of Los Angeles CHIEF ADMINISTRATIVE OFFICE

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Second District

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Third District

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Fifth District

July 15, 2003

To: Supervisor Yvonne Brathwaite Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

STATE LEGISLATIVE UPDATE

Status of Workers' Compensation Reform

Last week, the Senate Labor and Industrial Relations Committee and the Assembly Insurance Committee gutted several workers' compensation bills at their hearings on Wednesday, July 9, 2003. The bills will likely be used as vehicles for proposals that emerge from a forthcoming conference committee on workers' compensation reform.

Among the legislation that has been referred to the conference committee are several bills on which the County has taken a position. The following County-interest bills have now been amended to express legislative intent "to improve the workers' compensation system by promoting the efficient delivery of high-quality appropriate medical care":

County-supported AB 1483 (Richman), which would have included outpatient surgery fees into the workers' compensation medical fee schedule and require application of the medical fee schedule prior to acceptance of a claim.

County-supported AB 1579 (Cogdill), which would have included more than a dozen reform elements endorsed by the County such as medical utilization guidelines, training and certification of physicians and disability evaluators, and requiring the use of generic drugs.

County-supported SB 223 (Margett), which would have required clinics, hospitals and medical professionals to use generic drugs unless the treating physician indicates otherwise.

County-opposed SB 228 (Alarcon), which would have increased the medical fee schedule by 20% and reduced the 90 day presumption of compensability to 60 days.

In addition, **County supported SB 457 (McPherson)**, which formerly limited penalties on late payments now expresses legislative intent to have the State Division of Workers' Compensation review current provisions of law regarding penalizing and deterring unreasonable late and denied benefit payments.

Our Sacramento advocates have shared the Board's letter outlining the County's key legislative reform priorities with our local delegation. Additionally, they have shared our priorities with interested groups including the California Chamber of Commerce and the League of California Cities and received favorable responses.

Status of Other County-Interest Workers' Compensation Legislation

County-supported AB 87 (Bogh), which would establish the Workers' Compensation for Disaster Service Workers Fund in the State Treasury, is being held under submission in the Assembly Appropriations Committee with no hearing date set.

County-opposed AB 1324 (Steinberg) which would provide dependents of specified public safety members, who contract a blood-borne infectious disease from the safety member, the ability to receive compensation under workers' compensation law for all medically necessary health care costs associated with the disease is awaiting action by the Senate Appropriations and Judiciary Committees.

County-opposed SB 125 (Chesbro), which would extend public safety workers' compensation benefits to county welfare fraud investigators and inspectors, passed the Assembly Committee on Insurance on July 2, 2003 by a 14 to 8 vote, and awaits action on the Assembly Floor.

County-supported SB 899 (Poochigian), which added outpatient surgery to the list of medical goods or services for which it is unlawful for a physician to refer workers' compensation patients to a family-owned or operated facility, passed the Assembly Committee on Insurance on July 10, 2003 on the consent calendar, and awaits action on the Assembly Floor.

Status of Other County-Interest Legislation

County-supported AB 28 (Pavley), which would enact the Firefighting Hazardous Materials Response Team Equipment Act of 2003 to provide funding for purchasing hazardous material response apparatus and equipment, was amended on July 14, 2003 with a technical amendment and remains in the Senate Appropriations Committee where it awaits a hearing date.

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County-supported AB 355 (Pacheco), which would define a juvenile escape from custody to include escape or attempted escape from a regional facility, a privately owned facility, or from a field trip site, passed the Senate Appropriations Committee on July 14, 2003 on consent because the bill does not have a fiscal impact on the State. The bill now proceeds to the Senate Floor.

County-supported AB 936 (Reyes), which would create the crime of trespass related to baby stalking, passed the Senate Appropriations Committee on July 14, 2003 on consent because the bill does not have a fiscal impact on the State. The bill now proceeds to the Senate Floor.

County-sponsored AB 1153 (Bermudez), which criminalizes the unauthorized use, manufacture or sale of any official State, county, city, city and county or agency badge and/or associated photographic identification cards, passed the Senate Appropriations Committee on July 14, 2003 on consent because the bill does not have a fiscal impact on the State. The bill now proceeds to the Senate Floor.

County-supported AB 1154 (Frommer), which would exempt the Office of Statewide Health Planning and Development from the State-wide hiring and promotion freeze to insure the timely review of hospital construction plans, passed the Senate Health and Human Services Committee on July 10, 2003 on a 10 to 0 vote and was referred to the Senate Appropriations Committee where it awaits a hearing date.

County-supported, AB 1405 (Wolk and Harman), which encourages the California Environmental Protection Agency and the Resources Agency to provide assistance and grants to those who choose to participate in watershed enhancement and restoration, was passed by the Senate Committee on Appropriations on July 10, 2003 by a vote of 5 to 1, and re-referred to the Committee on Appropriations.

County-supported SB 2 (Burton), which would create the Health Insurance Act of 2003 and declare the intent of the Legislature to ensure health care coverage for all working Californians and their families, was referred to conference committee on July 10, 2003, at the request of the author. No details are available yet regarding the conference committee's membership, or when it will be convened.

We will continue to keep you advised.

DEJ:GK
MAL:DdN:ib

c: Executive Officer, Board of Supervisors
County Counsel
Local 660
All Department Heads
Legislative Strategist
Coalition of County Unions

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California Contract Cities Association
Independent Cities Association
League of California Cities